

## **EXHIBIT A**



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SUHRCO Residential Properties, L.L.C.

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TO: Northgate West Condominium Owners

FROM: Northgate West Board of Directors and  
Sharon Rystad, Community Association Management

DATE: December 21, 2020

RE: Notice of Special Meeting to Ratify a Special Assessment

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The Board of Directors for the Northgate West Condominium Homeowner's Association has worked to prepare a Special/Supplemental Assessment Budget for a term of 120 months (10 Years) beginning February 2021. The details are included in this package of materials and will be presented at the Ratification Meeting scheduled for January 7, 2021 at 6:30pm via ZOOM.

Meeting of all Homeowners will be held on:

**Date: January 7, 2021**  
**Time: 6:30 PM**  
**Location: Zoom Meeting**

**ZOOM MEETING ID: 843 1946 4742**  
**PASSWORD: 979168**  
**Dial in Number: +1 253 215 8782**

The purpose of this meeting of the Homeowners is to consider ratification of the proposed Special Assessment. Please note that unless the Owners to which a majority of the votes in the Association are allocated are represented at the Meeting and vote to reject the Special Assessment, the Special Assessment will be ratified for the term of 120 months (10 Year), whether or not a quorum is present.

We encourage everyone to attend this important Meeting and look forward to seeing you there! If you have any questions, please email me at [sharonr@suhrco.com](mailto:sharonr@suhrco.com).

A Comprehensive Real Estate Company  
2010 156<sup>th</sup> Avenue NE, Suite 100  
Bellevue, Washington 98007  
Telephone: (425) 455-0900  
Fax: (425) 462-1943



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SUHRCO Residential Properties, L.L.C.

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Sharon Rystad is inviting you to a scheduled Zoom meeting.

Topic: Northgate West - Special Assessment Ratification Meeting

Time: Jan 7, 2021 06:30 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/84319464742?pwd=eWZFRmZlZlE0Q2x2dHgrUUFZWHBadz09>

Meeting ID: 843 1946 4742

Passcode: 979168

One tap mobile

+12532158782,,84319464742#,,,,,0#,,979168# US (Tacoma)

+13462487799,,84319464742#,,,,,0#,,979168# US (Houston)

Dial by your location

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 669 900 6833 US (San Jose)

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington D.C)

+1 312 626 6799 US (Chicago)

Meeting ID: 843 1946 4742

Passcode: 979168

Find your local number: <https://us02web.zoom.us/j/84319464742?pwd=eWZFRmZlZlE0Q2x2dHgrUUFZWHBadz09>

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**NORTHGATE WEST CONDOMINIUM ASSOCIATION OF APARTMENT**  
**OWNERS**

December, 2020

RE: CONSTRUCTION PROJECT, DISCUSSION OF SUPPLEMENTAL ASSESSMENT, ADOPTION OF REPAIR  
PLAN AND RATIFICATION OF SUPPLEMENTAL ASSESSMENT.

Dear Owner,

Your Board of Directors is excited to report that, after several years of research, analysis, inspection, investigation, consultation from construction industry experts, and many hours of volunteer work, we are nearly ready to begin the comprehensive rehabilitation construction project at the condominium. With any luck, the project should get underway in early 2021.

The repair process is projected to last 12 months, with an overall estimated budget of \$5,203,415.60. Additional detailed project figures are contained in the materials accompanying this letter. While most of you are all too familiar with the issues and failings of our exterior building envelope, the association plans to undertake needed repairs to the exterior siding, window replacements, fire systems and limited roof repair.

To fund this rehabilitative construction project, the Board has approved a supplemental budget and supplemental assessment in the amount of \$3,444,297.40 the details of which are contained in the enclosed materials, specifically; **EXHIBITS A & B<sup>1</sup>**. The Board now presents this supplemental assessment for adoption and ratification by the owners. A Notice and Agenda for that meeting is enclosed. If you are unable to attend the meeting, please fill out the enclosed written consent form and return to the Association's manager prior to the meeting.

The Board realizes that for some owners, the supplemental assessment imposes a financial burden, and that it would be especially burdensome if you were required to pay your entire share of the repair costs up front in a lump sum. Accordingly, the Board hopes to be able to offer owners a payment plan with payments as low as we can make them.

The Board has obtained a conditional commitment to lend from Columbia Bank, one of a handful of banks that lend to community associations like ours that contains important contingencies. The main prerequisite for the Association to obtain the loan is successful adoption of the supplemental assessment in support of the loan. All of the financial entities willing to loan funds to the Association, including Columbia Bank, require a supplemental assessment in support of the loan, because we must pledge that assessment as part of the collateral for the loan.

It may not be obvious, but if all owners were to pay their share of the supplemental assessment in full up front, then the Association could just pay cash for the repairs and we would not need to borrow any money. The same concept holds true for any owner who pays their assessment in a lump sum: the Association will use those funds for the project and will not need to borrow them from Columbia Bank.

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<sup>1</sup> The remaining amount will be paid for by insurance proceeds and settlement funds from Sound Transit.

In fact, Columbia Bank will reduce the amount available for borrowing by the amount of assessments that owners pay up front.

The rate offered by Columbia Bank is 3.50% (APY 3.5489%) for a 10-year period. The rate is fixed at loan closure and will not adjust throughout the term of the loan. The loan is to the Association and not to individual homeowners. There are no liens on property and it does not affect owners' credit in any way. The Association must ratify the Special Assessment in order to collect adequate funds to repay the loan. Please contact the Board or Association's manager if you are interested in the details of how the rate is calculated.

The payments currently required of owners, and reflected in the enclosed materials, are based on an interest rate of 3.5%. However, if the Association's rate rises, owners will be alerted of a change in payment amount due to a change in the Association's interest rate. We do not anticipate the rate will rise, *but it could should there be a delay in loan closure*. Again, owners will be alerted at least 30 days in advance of any change in interest rate that changes the monthly assessment payment amount. We are doing the best we can to anticipate what the rate will be at closing so that we do not need to make any changes to owners' payments.

The loan process works as follows; once owners have adopted the supplemental assessment, and provided the bank approves our loan, the Association is given a construction line of credit from which it may draw as expenses come up during construction. Once construction is complete, or at the end of eighteen months, the amounts borrowed under the line of credit convert to an amortized term loan over the remainder of the 10-year term.

Each apartment's share of the repair costs—the supplemental assessment—is listed in **EXHIBIT B**, and is based on the cost of repair/supplemental budget listed on **EXHIBIT A**, multiplied by each apartment's percentage of allocated interest. The total assessment is spread out over 120 monthly assessments (10 years), plus interest,<sup>2</sup> for those owners who choose the payment plan. But, owners may pay the present value of these assessments up front, in a lump sum, and avoid paying any interest. Payment terms are set forth in **EXHIBIT C**.

Owners are not required to take advantage of the payment plan. In fact, owners are encouraged to prepay the entire assessment up front using their own source of funds. Owners who pay off their assessment up front will avoid the monthly payments altogether, and will avoid paying interest or payment handling fees. However, Owners who opt to pay monthly implicitly agree to the payment terms contained in the enclosed materials. Rather than repeating the repayment terms and conditions that are set out elsewhere in the materials that have been provided to you, the Board asks that you thoroughly review the materials, particularly **EXHIBITS A, B and C**, concerning the supplemental assessment and terms.

At the meeting set forth in the enclosed Notice of Supplemental Meeting, owners will be asked to adopt this project and the repair/supplemental assessment. Under our governing documents, the Supplemental Assessment will pass unless 51% of Owners vote against it.

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<sup>2</sup> The loan itself has a term of 10 years including the construction phase which is expected to be approximately 12 months..

If the supplemental assessment is adopted, construction will begin shortly. It is therefore extremely important that we have current contact information on file for you and your occupants and/or property manager for your apartment. There are some components of the project that may require access to your apartment, and important notifications will be sent before and during construction to keep owners and residents informed of the project.

**The Board would like to thank owners and our business partners for assisting the Board in making this very important project a reality. The repairs to our buildings must happen now—the needed repairs will only get more expensive and extensive the longer we wait. Please support the project by voting for it.**

Sincerely,

The Board of Directors

Enclosed:

- **Notice and Agenda for Supplemental Meeting**
- **Written Consent Form**
- **EXHIBIT A – Restoration Plan Estimated Costs (Supplemental Budget)**
- **EXHIBIT B – Supplemental Assessment and Monthly Amounts**
- **EXHIBIT C – Assessment and Payment Terms**

# EXHIBIT A

EXHIBIT A		
<b><u>NORTHGATE WEST CONDOMINIUM ASSOCIATION</u></b> <b><u>OF APARTMENT OWNERS</u></b> <b>ESTIMATED COSTS OF REMEDIATION PROJECT- SUPPLEMENTAL BUDGET</b>		
HARD COST BREAKDOWN		
Construction - Base Costs:	\$ 3,107,596.00	
Allowances	\$ 400,000.00	
Alternate 1 Bronze Windows \$85,897		
Alternate 2 Accoustic Windows \$18,182	\$ 18,182.00	
Alternate 3 Artisan Shiplap \$165,710		
Construction Contingency: 10%	\$ 350,000.00	
Sales Tax: 10.1%	\$ 350,759.60	
<b>HARD COST SUBTOTAL:</b>	<b>\$ 4,226,537.60</b>	<b>\$ 4,226,537.60</b>
SOFT COST BREAKDOWN		
Architectural Services:	\$ 109,200.00	
Construction Project Management:	\$ 150,000.00	
Permits: 1.5%	\$ 46,614.00	
Engineering:	\$ 15,000.00	
Window Testing:	\$ 5,000.00	
Industrial Hygienist:	\$ 1,500.00	
Legal, Lender, and Closing Costs:	\$ 30,000.00	
Contract Attorney:	\$ 2,500.00	
General Counsel:	\$ 2,500.00	
Additional Project Facilitation Services	\$75,000.00	
<b>SOFT COST SUBTOTAL</b>	<b>\$ 437,314.00</b>	<b>\$ 437,314.00</b>
OTHER CHARGES		
<b>OTHER CHARGES</b>		
Bad Debt Contingency 5%	\$ 243,019.00	
Fire Alarm System Upgrades	\$ 196,545.00	
Roof, Piping repairs 3rd floor	\$ 100,000.00	
<b>OTHER CHARGES SUBTOTAL</b>	<b>\$ 539,564.00</b>	<b>\$ 539,564.00</b>
<b>TOTAL RESTORATION BUDGET COSTS:</b>		<b>\$ 5,203,415.60</b>
CREDITS		
Insurance Proceeds & Reserves	\$ (250,000.00)	
Sound Transit Funds	\$ (250,000.00)	
Insurance Settlement Funds	\$ (1,259,118.20)	
<b>TOTAL CREDITS:</b>		<b>\$ (1,759,118.20)</b>
<b>NET RESTORATION/SUPPLEMENTAL BUDGET TOTAL:</b>	<b>\$</b>	<b>3,444,297.40</b>
The Net Restoration/Supplemental Budget total will be divided amongst the apartments based on each apartment's allocated interest as set forth in Appendix B of the Declaration.		
Owners have the option of paying monthly for 120 months as assessments come due on a monthly basis over 10 years. Interest will be added to monthly installment amounts. A per-payment handling fee of \$5 will be applied. Owners may also pay their share of repair costs up front in one lump sum to avoid paying interest. Additional details are contained in the accompanying materials.		
This proposed budget and repair plan, including the total per-apartment restoration special assessment amounts and monthly payment amounts and terms, were approved by the Board and are subject to ratification by owners as set forth in the Northgate West Declaration. Additional details may be found in the materials and exhibits that accompany this proposed repair and special assessment budget.		

## EXHIBIT B

**ANNUAL HOA BUDGET**

SUHRCO Residential Properties LLC

Association: Northgate West  
 Budget Year: 2021

Effective Date: 10 year term beginning February 2 Prepared by: Sharon Rystad  
 Approved/Ratified: \_\_\_\_\_

**Unit Allocation****Supplemental Assessment Summary**

Ownership		Monthly Totals		Change	
Unit Number	Owner Percentage of Interest	Total	Apartment Monthly Installment Payment Amount (including 3.5% interest + \$5.00 per month processing fee)	Sum of Total Payments (120 Months including 3.6% interest rate + \$5.00 per month processing fee)	Estimate of Interest Paid
101	1.285%	44,259.22	443.68	53,241.34	\$ 8,382.11
102	1.285%	44,259.22	443.68	53,241.34	\$ 8,382.11
103	1.285%	44,259.22	443.68	53,241.34	\$ 8,382.11
104	1.285%	44,259.22	443.68	53,241.34	\$ 8,382.11
105	1.285%	44,259.22	443.68	53,241.34	\$ 8,382.11
106	1.285%	44,259.22	443.68	53,241.34	\$ 8,382.11
107	1.285%	44,259.22	443.68	53,241.34	\$ 8,382.11
109	1.285%	44,259.22	443.68	53,241.34	\$ 8,382.11
111	1.285%	44,259.22	443.68	53,241.34	\$ 8,382.11
112	1.285%	44,259.22	443.68	53,241.34	\$ 8,382.11
113	1.285%	44,259.22	443.68	53,241.34	\$ 8,382.11
114	1.285%	44,259.22	443.68	53,241.34	\$ 8,382.11
115	1.285%	44,259.22	443.68	53,241.34	\$ 8,382.11
116	1.285%	44,259.22	443.68	53,241.34	\$ 8,382.11
117	1.285%	44,259.22	443.68	53,241.34	\$ 8,382.11
118	1.285%	44,259.22	443.68	53,241.34	\$ 8,382.11
119	1.285%	44,259.22	443.68	53,241.34	\$ 8,382.11
120	1.285%	44,259.22	443.68	53,241.34	\$ 8,382.11
121	1.285%	44,259.22	443.68	53,241.34	\$ 8,382.11
122	1.285%	44,259.22	443.68	53,241.34	\$ 8,382.11
123	1.285%	44,259.22	443.68	53,241.34	\$ 8,382.11
124	1.285%	44,259.22	443.68	53,241.34	\$ 8,382.11
125	1.285%	44,259.22	443.68	53,241.34	\$ 8,382.11
127	1.285%	44,259.22	443.68	53,241.34	\$ 8,382.11
201	1.402%	48,289.05	483.62	58,034.36	\$ 9,145.31
202	1.402%	48,289.05	483.62	58,034.36	\$ 9,145.31
203	1.401%	48,254.61	483.28	57,993.39	\$ 9,138.79
204	1.402%	48,289.05	483.62	58,034.36	\$ 9,145.31
205	1.402%	48,289.05	483.62	58,034.36	\$ 9,145.31
206	1.401%	48,254.61	483.28	57,993.39	\$ 9,138.79
207	1.402%	48,289.05	483.62	58,034.36	\$ 9,145.31
209	1.402%	48,289.05	483.62	58,034.36	\$ 9,145.31
211	1.401%	48,254.61	483.28	57,993.39	\$ 9,138.79
212	1.402%	48,289.05	483.62	58,034.36	\$ 9,145.31
213	1.402%	48,289.05	483.62	58,034.36	\$ 9,145.31
214	1.401%	48,254.61	483.28	57,993.39	\$ 9,138.79
215	1.402%	48,289.05	483.62	58,034.36	\$ 9,145.31



Ownership		Monthly Totals		Change	
Unit Number	Owner Percentage of Interest	Total	Apartment Monthly Installment Payment Amount (including 3.5% interest + \$5.00 per month processing fee)	Sum of Total Payments (120 Months including 3.6% interest rate + \$5.00 per month processing fee)	Estimate of Interest Paid
216	1.402%	48,289.05	483.62	58,034.36	\$ 9,145.31
217	1.401%	48,254.61	483.28	57,993.39	\$ 9,138.79
218	1.402%	48,289.05	483.62	58,034.36	\$ 9,145.31
219	1.402%	48,289.05	483.62	58,034.36	\$ 9,145.31
220	1.401%	48,254.61	483.28	57,993.39	\$ 9,138.79
221	1.402%	48,289.05	483.62	58,034.36	\$ 9,145.31
222	1.402%	48,289.05	483.62	58,034.36	\$ 9,145.31
223	1.401%	48,254.61	483.28	57,993.39	\$ 9,138.79
224	1.402%	48,289.05	483.62	58,034.36	\$ 9,145.31
225	1.402%	48,289.05	483.62	58,034.36	\$ 9,145.31
227	1.401%	48,254.61	483.28	57,993.39	\$ 9,138.79
301	1.480%	50,975.60	510.25	61,229.71	\$ 9,654.11
302	1.480%	50,975.60	510.25	61,229.71	\$ 9,654.11
303	1.480%	50,975.60	510.25	61,229.71	\$ 9,654.11
304	1.480%	50,975.60	510.25	61,229.71	\$ 9,654.11
305	1.480%	50,975.60	510.25	61,229.71	\$ 9,654.11
306	1.480%	50,975.60	510.25	61,229.71	\$ 9,654.11
307	1.480%	50,975.60	510.25	61,229.71	\$ 9,654.11
309	1.480%	50,975.60	510.25	61,229.71	\$ 9,654.11
311	1.480%	50,975.60	510.25	61,229.71	\$ 9,654.11
312	1.480%	50,975.60	510.25	61,229.71	\$ 9,654.11
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316	1.480%	50,975.60	510.25	61,229.71	\$ 9,654.11
317	1.480%	50,975.60	510.25	61,229.71	\$ 9,654.11
318	1.480%	50,975.60	510.25	61,229.71	\$ 9,654.11
319	1.480%	50,975.60	510.25	61,229.71	\$ 9,654.11
320	1.480%	50,975.60	510.25	61,229.71	\$ 9,654.11
321	1.480%	50,975.60	510.25	61,229.71	\$ 9,654.11
322	1.480%	50,975.60	510.25	61,229.71	\$ 9,654.11
323	1.480%	50,975.60	510.25	61,229.71	\$ 9,654.11
324	1.480%	50,975.60	510.25	61,229.71	\$ 9,654.11
325	1.480%	50,975.60	510.25	61,229.71	\$ 9,654.11
327	1.480%	50,975.60	510.25	61,229.71	\$ 9,654.11
100%					
		3,444,297.40	34,498.35		

EXHIBIT C

NORTHGATE WEST CONDOMINIUMS

1. The Special Assessment will be applied over 120 months and will become due and payable on the first day of each month beginning April 1, 2021 or until paid in full. The monthly Special Assessment amount for your unit can be found on the attached Special Assessment Schedule (EXHIBIT B). (There will be a \$5.00 coupon fee in addition each month) Owners have the option of paying monthly for 120 months as assessments come due on a monthly basis over 10 years. Interest will be added to monthly installment amounts. Owners may also pay their share of repair costs up front in one lump sum to avoid paying interest. Additional details are contained in the accompanying materials.

2. If an owner sells, transfers, or refinances their unit, they will pay all assessments owing prior to or at closing of their unit.

3. No remedies or other rights of the Association under the Declaration, Bylaws, or Rules are waived. The owner acknowledges that any late fees, delinquency statement fees, coupon fees, attorney's fees and costs incurred in the collection of this matter are reasonable and collectible as Assessments per the Declaration. The Association may accept any payment even though late, partial payment, or marked "payment in full," without losing any of its rights.

4. If any of the scheduled payments herein are late or missed, or not paid in full, such failures may violate the member's obligations to pay assessments as set forth in the Declarations, as amended and may trigger the Association's right to collect any such delinquent Assessment pursuant to the Collection Policy Resolution.

This proposed budget and repair plan, including the total per-apartment restoration special assessment amounts and monthly payment amounts and terms, were approved by the Board and are subject to ratification by owners as set forth in the Northgate West Declaration. Additional details may be found in the materials and exhibits that accompany this proposed repair and special assessment budget.